

<p style="text-align: right;">Page 35</p> <p>1 BY MR. SMITH:</p> <p>2 Q Paragraph number 12, this language that I've referred to 3 indicates that the indebtedness lasts -- survives for one 4 year; correct?</p> <p>5 A It says the guaranty shall survive final payment in full.</p> <p>6 Q For one year?</p> <p>7 A For a period of one year.</p> <p>8 Q With a contingency; right?</p> <p>9 A Yes; correct.</p> <p>10 Q Paragraph number 4 says it lasts, basically, it continues 11 into infinity without a termination statement; right?</p> <p>12 MR. MARCH: Same objection. You may answer.</p> <p>13 THE WITNESS: Paragraph 4 appears to indicate that.</p> <p>14 BY MR. SMITH:</p> <p>15 Q Wouldn't you agree with me that those, read together, this 16 document is ambiguous as to when it's supposed to end?</p> <p>17 A I can't render an opinion on that. As I stated before --</p> <p>18 Q I'm not asking for a legal opinion, I'm just asking for a lay 19 opinion.</p> <p>20 A I can't say that conclusively.</p> <p>21 Q You don't want to answer that question?</p> <p>22 A I can't render an assessment of that based upon the fact that 23 you're looking at two different parts of the document, and 24 the document language that surrounds the paragraph, there may 25 be some other language that supports that. I can't say</p>	<p style="text-align: right;">Page 37</p> <p>1 A I would agree with that.</p> <p>2 Q And based on your understanding of Exhibit Number 9, is this 3 the document that was finally, basically, the same document 4 as Exhibit Number 8 with some changes to it, but this is a 5 document that was finally negotiated with Michael and Hope 6 Harbin; is that right?</p> <p>7 A That's correct.</p> <p>8 Q And if you look at paragraph number 12, would it be fair to 9 say that the language that Mr. Harbin wanted taken out has 10 been taken out?</p> <p>11 A Yes. I would agree with that.</p> <p>12 Q Do you have an independent recollection of whether that was 13 your decision or somebody else's decision?</p> <p>14 A I don't recall whose decision it was.</p> <p>15 Q Typically, when you're negotiating documents with one of the 16 dealers and the dealer says I want to change this paragraph 17 or that paragraph, is that going to be, typically, your 18 decision, or somebody else's?</p> <p>19 A It could be someone else's decision.</p> <p>20 Q I'm sorry?</p> <p>21 A It could be someone else's decision.</p> <p>22 Q Is that your boss, or the Legal Department, or somebody else?</p> <p>23 A Generally, it's a combination of my boss and our Legal 24 Department's decision.</p> <p>25 Q As I understand it, you don't have any specific recollection</p>
<p style="text-align: right;">Page 36</p> <p>1 conclusively.</p> <p>2 Q Take a look at paragraph number 1. Read paragraph 1 to 3 yourself.</p> <p>4 A Okay.</p> <p>5 Q What is the indebtedness, just based on your lay 6 understanding, that Mr. Harbin was guaranteeing when you 7 asked him to sign this agreement?</p> <p>8 MR. MARCH: Your question is pertaining to 9 paragraph 1?</p> <p>10 MR. SMITH: Yes.</p> <p>11 THE WITNESS: My understanding of that is it's 12 saying that the guarantor is guaranteeing the payment 13 for the purchase orders as referenced when due and at 14 all times thereafter of purchase orders.</p> <p>15 BY MR. SMITH:</p> <p>16 Q Just those purchase orders; is that right?</p> <p>17 A That's my understanding, yes.</p> <p>18 (Exhibit 9 marked for identification.)</p> <p>19 BY MR. SMITH:</p> <p>20 Q I show you what's been marked as Deposition Exhibit Number 9 21 and ask you if you can identify that.</p> <p>22 A It appears to be the same type of document as Exhibit 8.</p> <p>23 Q Compare it to number 8 and take a look and see if you can 24 determine whether Exhibit Number 9 is a fully executed 25 document, as opposed to a non-executed document.</p>	<p style="text-align: right;">Page 38</p> <p>1 of having deleted that particular paragraph. What would be 2 the process under which that would be accomplished?</p> <p>3 A Well, you know, I can't recall specifically at that 4 particular time, but in today's environment we would have 5 referred, or sent the document with the changes requested to 6 our Legal Department to review, and would thus receive back 7 their opinion as to what could be changed and what could not 8 be changed.</p> <p>9 Q You don't know when that process was put into place, do you?</p> <p>10 A I'm not saying that it wasn't in place at that time. It 11 could have been the process that was used at that time.</p> <p>12 Q Would there be an exchange of correspondence between the 13 Legal Department and the Credit Department which would 14 indicate I need some help with this particular document, the 15 dealer wants it changed, and the Legal Department responds in 16 some fashion?</p> <p>17 A That's the typical way, is that we would either send a 18 document to the Legal Department, they would mark it 19 accordingly, or send us an e-mail one way or the other to 20 give their assessment of the document, what changes they were 21 recommending.</p> <p>22 Q I didn't see anything in the files that Steelcase has 23 provided in this case which indicated any sort of interchange 24 between the Credit Department and the Legal Department. Do 25 you know why that is?</p>